Subsidizing the Unfit

The Saturday Review Financial Supplement

Conducted by Hartley Withers

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NOTE.—Our financial pages next week will contain special articles and statistics on the subject of BANKING.

The Outlook

In the world of finance affairs have rather marked time. The effect of the reduction in Bank rate was modified for the time being by the prospect of the usual squeeze in the money market at the turn of the half-year, but the announcement that the Federal Reserve Board of New York has reduced its rediscount rate to 4 per cent., strengthened the hopes of those who look for a further reduction of our Bank rate in the near future. In the meantime the weight of the professional bull account in the Consols market and Home Railway stocks, added to the effect of the large proportion of the India Loan that the underwriters had to take up gave the Stock Exchange a thoughtful and rather depressed appearance. Whether further reductions in money rates will bring out much more demand for securities is a question that is exercising the City and is discussed on a later page. Mexico—that ever flowing fount of disappointment—has once more raised hopes of a settlement and the resumption of the service of the external debt, and these hopes seem this time, as so often before, to have a fair chance of being translated into facts. The European settlement, the most important problem of all from the business point of view, still awaits a statesmanlike lead from this country; but French opinion, according to the *Times* Paris correspondent, is affirming in authoritative quarters, that "a loan to Germany is immediately necessary. . . . On the French side the raising of money is regarded as essential. Thus it becomes probable that an invitation will go out to bankers at a much earlier date than was thought likely when they adjourned." Does this mean that France is prepared to concede the revision of the Reparations total, which the bankers laid down as a condition essential to the issue of a loan?

Unemployment

From time to time in desultory fashion the Ministry of Labour issues statistics of unemployment. As, however, the statistics of a year ago included Ireland and now they do not, while particulars are seldom furnished of lapses through expiration of benefit, the returns are seldom illuminating. A surer guide to the unemployment situation is to be found in the percentages of unemployed among important trades unions, although, of course, the least skilled sections of the community are not adequately represented. The unions which report their unemployed had at the end of May a total membership of 1,393,000 of which 228,000 members, or 16.4 per cent. were unemployed. This is a decrease in the unemployed of 0.6 per cent. compared with the end of April. Employers' returns of the number of workpeople employed and of the total wages paid also indicate a small but fairly general industrial improvement. The change for the better certainly cannot be called marked, but it would have been more defined had not the engineering and shipbuilding disputes obscured the position as a whole.

Money and Exchange

Money has been in demand but not uncomfortably scarce and the market rate of discount, after hardening slightly, slipped back on the announcement of the decline in the New York Bank rate. Rates of exchange were still chiefly influenced by the decision, announced early last week, of the Bankers' Committee about a loan to Germany. New York rate fell to 4.38, but jumped again briskly; French, Belgian and Italian currencies depreciated in value, while Holland, Switzerland and Sweden went against us.

Government Accounts and Conversions

During the week ended on June 17, revenue exceeded expenditure by £7¼ millions, and the Government also received £8.8 millions net on Treasury Bills and one million on 4½ per cent. Treasury Bonds. It was thus enabled to repay eleven millions of departmental advances and £5½ millions of advances from the Bank of England, wiping them out altogether—a highly satisfactory achievement so soon after the big interest payment on June 1. In answer to a question concerning the charges in the national debt, due to conversions effected between March 31 and June 1, the Chancellor of the Exchequer issued a statement showing that £194½ millions of Exchequer bonds, War Bonds and 5½ per cent. Treasury Bonds, carrying annual interest of £10,065,000, have been converted into £257¼ millions of Conversion, 4½ per cent. Treasury bonds and War Loan, carrying annual interest of £9,577,000. The greater part of the newly created securities consists of Conversion Loan, which accounts for £215½ millions of the total of £257¼ millions. By these operations a great clearance has been effected of early maturing debt, but the small saving of interest—less than half a million—suggests that they have been carried through too soon for real relief to be practicable to the taxpayer. At the same time the great decrease in Treasury bills, now nearly £400 millions below the total of a year ago, has not tended to cheapen the service of the debt, though satisfactory from other points of view.

MONEY AND THE TAX-GATHERER

SO far the reduction of Bank Rate to 3½ per cent., which was announced last week, has not done much to stimulate strength and activity in the stock markets. It probably had the effect of considerably reducing the proportion—63 per cent.—of the Indian Loan of which the underwriters found themselves possessed, and for a time it did produce an upward twist in the market for gilt-edged securities,

which, however, did not carry their prices nearly up to the level at which they had stood during the previous period of activity. Probably this was all that could be expected in view of the state of the market as previously revealed, burdened by what seems to be a large professional bull account, and the large size of the Indian loan, which seems to have taken operators by surprise, though it ought to have been obvious that India was and will be for some time a borrower to an extent which will only be limited by the calculations that her rulers make concerning the swallowing power of investors on this side. It need not be said that the rather meagre first results of the long-delayed reduction in Bank Rate do not necessarily mean that the effects of the movement have quite spent themselves. It is already anticipated that a further reduction to 3 per cent. may be looked for after, if not before, the turn of the half-year, especially now that indications reported from America of a probable decline in the rediscount rates of the Federal Reserve Board have proved correct. What the far-sighted operator is now asking himself is whether, when we have come down to 3 per cent., we may consider that we have reached bottom, or whether the arguments in favour of 2 per cent. which were put forward some months ago by high theoretical authority may not finally prevail, in spite of the distaste for cheap money which is believed, rightly or wrongly, to sway the counsels of the Bank of England Court. The more fundamental question is how far the present and prospective possible reductions in the current value of short money in Lombard Street and of money left on deposit with bankers will have the effect of stimulating a further considerable advance in gilt-edged securities. As everybody knows, the Bank Rate is supposed to work upon stock markets through the medium of the deposit rate granted to depositors by banks and other financial institutions. This deposit rate usually moves *pari passu* with Bank Rate. Before the War the published deposit rates of the banks used to be 1½ per cent. below the official minimum rate. Now there is a difference of 2 per cent. The justification put forward for it is the higher cost of conducting banking business. When the reduction in Bank Rate last week was announced there was for an hour or two considerable doubt as to whether the clearing banks would follow the movement or not. They ultimately decided to do so, but it must be remembered that as the value of money gets lower the justification for the wide difference between deposit rates and Bank Rate becomes more and more difficult to maintain, and that it does not necessarily follow that further reductions in Bank Rate will be accompanied by equal movements in deposit rates granted by the banks. In any case there remains a good deal of doubt as to whether there is still much money left on deposit which is capable of being moved into securities. Since the banks do not publish the amount of the sums left with them on deposit, as apart from those placed in current account, we have no knowledge of the extent to which deposits have already been curtailed by the successive declines in Bank Rate, accompanied by movements in deposit rates. Money left on deposit appears to consist chiefly of funds held by large industrial and commercial firms and companies in order that they may rely with certainty upon having a certain amount in hand against the possibility of trade or other openings which require the immediate expenditure of cash. Of this kind of money it seems probable that as much as can be transferred into securities on the attraction of a higher yield has already, some time ago, been put into the stock markets. It is even probable that, tempted by the rise in securities, some institutions have been induced to draw upon their deposit cash reserves to an extent which on any real revival of trade might cause realizations of securities. The amounts deposited at fixed rates by ordinary individuals are probably quite small in the aggregate, and in their case also it seems probable that the movement from deposit to securities has already gone nearly as far as is likely, though investment brokers state that last week's movement produced a certain number of inquiries from depositing clients, who could not bear the thought of their money earning only 1½ per cent. On the whole, therefore, it seems probable that the effect of the latest and any further reductions in Bank Rate on the stock markets is not likely to be such as to encourage an active "bull" campaign on the prospect.

So much for the purely financial effect of Bank Rate. On the productive and commercial side it works through the connexion between it and the rate charged by the banks for advances to customers. In this case the cheapening of money rates tends to stimulate production and trade, though it must be remembered that the price paid for borrowed money is a comparatively small item in the cost of production and commerce, and that our producers and merchants are much more in need of solvent and clamorous customers for their goods than of cheaper money. With a sound and steady trade demand and a cost of production that enables producers and merchants to meet it the rate paid for advances is, comparatively speaking, an unimportant matter. Nevertheless, rises and falls in the price of money undoubtedly have some effect, though perhaps chiefly psychological, in retarding and stimulating trade, and in so far as reductions in Bank Rate tend to produce this result their ultimate effect seems likely to be to bring money back out of the stock markets into commerce and production, and so to check rather than to maintain the rise in gilt-edged securities. Since, however, trade advances are in a great number of cases subject to a minimum charge of 5 per cent., the effect of further reductions in Bank Rate is likely to be small.

If, then, it be true that most of the money which is moved from deposit into securities by changes in Bank Rate has already made its way into Capel Court, where is the money to be found to provide for the demand for capital all over the world, to say nothing of the funding operations which the Government is alleged to be hoping to carry out? It is, of course, possible for large amounts to be supplied by the banks by the simple method of making advances to customers against securities, but with the possibility of trade revival and political uncertainties abroad it does not seem very likely that either the banks or their customers will carry out an operation of this kind under present circumstances. We come back, then, to the good old copybook headline, which tells us that the only way in which to create real capital is to save it, and we have to consider how much chance there is of saving for investment to any great extent in view of the present rate of taxation and the cost of living. In the discussion of the Finance Bill last Tuesday in its committee stage Sir Frederick Banbury, representing the City of London, appealed to the Government, in discussing Clause 10, which covers income tax and super-tax, to give serious attention to the reduction of taxation. "With the reduction of the Income Tax to 5s.," he said, "and the Super-tax to 4s., there are still a large number of people who during this year will be paying at least 9s. of their income to the Government, and to that has to be added the necessary sinking fund for Death Duties, so, without exaggeration, I might say if the clause is passed the result will be a large number of people who are paying at least 11s. a year to the Government." Turning to the question of unemployment, "You cannot," he said, "have employment unless you have capital, you cannot have capital unless you have the means of saving, and you cannot save if such a large proportion of your profits are taken from you by the Government." The real remedy, he continued, lay in the reduction of expenditure. Colonel Wedgwood repeated a point that he made in the second reading debate on the Budget, urging that,

instead of reducing income tax by a shilling, the Government ought to have applied the sum which that reduction represented to reduction of national debt. There is high authority for the view that the one form of Government expenditure which tends to increase the capital fund is that which is devoted to debt redemption. Such money is collected from the taxpayers as a whole, and is paid to the debt holders by the process of redemption, and is by them reinvested, and so means a definite increase in the sums available for industry. The Government, not having the courage to carry out the full reductions in expenditure counselled by the Geddes Committee, preferred to economize by redeeming debt out of borrowed money, and Sir Frederick Banbury was fully justified in saying that the real remedy for high taxation lies in reduction of expenditure. We do not add to the country's capital fund by borrowing to meet debt, but only by reducing the extent to which the nation's money is being officially squandered, so that something like the old margin for saving can be secured. But we know from Sir Robert Horne's own admission during the second reading debate that he has budgeted for a deficit next year of £76 millions, as calculated by Mr. Lambert. Unless, therefore, big cuts in expenditure can be made between now and the next Budget we shall apparently be forced to borrow not only to redeem debt but to meet expenditure.

HARTLEY WITHERS.

SUBSIDIZING THE UNFIT

[FROM A CORRESPONDENT]

FOR the first time since the adoption, two generations ago, of a policy in this country of substantial Free Trade, a British Government has re-introduced Protection in its worst form—the subsidizing of cetrain clamorous and unfit industries at the expense of those which are fit and unclamorous. There is no pretence that this step has been taken in support of the staple industries of the country. None of those great branches of industry by which our people live has any part in this new Protection except as victims to subsidize the unfit. The notorious Part II. of the mis-called Safeguarding of Industries Act has been put into operation to complement a political bargain entered into between Mr. Lloyd George and Mr. Bonar Law (who represented the old Tariff Reformers) before the General Election of 1918. The sacrifice made by the Prime Minister on the altar of an ancient superstition was the promise of a measure to prevent the "dumping" of foreign goods, and especially the imports of goods from countries which suffered from depreciated currencies. Hence the Safeguarding of Industries Act, hence the Committees of Inquiry under that Act, and hence the No. 1 Order, which begins the new Protection, and continues it until August of 1924. Accompanying the Order are seven reports from Committees upon the complaints of dumping laid before them.

When, and if, the Order is adopted by resolution of the House of Commons the following "industries" will be protected by the imposition of a duty of one-third on competitive imports from Germany: Fabric gloves and glove fabric; domestic glassware (unmounted); illuminating glassware; and domestic hollow ware (aluminium and enamelled steel or wrought iron). The whole machinery of an Act of Parliament and of a Government Department has been set in motion to enable the British manufacturers of industrial sideshows such as these to compel users to pay more than the economic prices. They are poor little mice to be born of a mountain in labour, and to be "safeguarded" so very jealously.

It is not until we come to examine the reports of the Committees—four of which were favourable and three unfavourable to the making of protective Orders—that we discover how carefully the scales of economic justice had been loaded by Protectionist counterweights. Once a complaint had passed through the sieve of the Board of Trade officials and gone to a Committee it had much more than a sporting chance of a favourable reception. The inquiries of the Committees were not judicial, and were prevented by the Act and by regulations made under the Act from becoming judicial. Complainants—those seeking for protection—and opponents of complainants might be represented by counsel, but counsel were not allowed to cross-examine. Sir William Acworth, the chairman of a Committee which made three inquiries, protested in vain against the shackles which tied the hands of counsel and gravely hampered the efforts of the Committees to arrive at the facts of a case. The opponents to an application for protection were not shown the applicants' case, but had to pick it up as best they could do in the course of proceedings. The Committees took documentary evidence from the Board of Trade and elsewhere, which they did not disclose either to the applicants or to the opponents. There was not, from first to last, in any of these inquiries any real sifting of the facts alleged. What is more, the Committees were not permitted by the terms of the Act to take into account the full economic effects of a duty upon any imported goods. They could examine the effect upon industries which used the goods as "material," but that was all. It was only by a straining of the barbed-wire procedure that Bolton was able to show that the cotton yarn from which German fabric gloves are made is spun in Lancashire. Ninety per cent. of the yarn used by German fabric glove makers is bought from Lancashire and paid for by sending German fabric gloves to Great Britain. Bolton's established trade is now to be penalized in order that British fabric glove makers may fertilize their mushroom industry with higher prices.

In a spasm of sanity an amendment was introduced into the Act requiring that the industries seeking protection should satisfy committees of inquiry that they were being carried on "with reasonable efficiency and economy." No one who reads these seven reports can accuse the Committees of being exacting in their definition of what is reasonable efficiency and what is economy. But we can point with satisfaction to the fact that three of the inquiries—toys, gold leaf, and baths—ended in the discomfiture of the applicants for protection. Sir William Acworth's Committee bluntly turned down baths, and exposed the methods in the following scathing sentences:

"The applicants, the National Light Castings Association, are, as they describe themselves, an employers' trade union. They fix a uniform selling price for baths to be charged by all makers. This price was stated by the chairman of the association to be averaged in accordance with the costs of the whole industry, the least efficient factory as well as the most efficient. The price to the public is consequently enhanced by the unnecessary costs of the least efficient factories. We do not think that the Act under which we sit was intended by Parliament to safeguard any such inefficiency."

Mr. A. Balfour's Toys Committee, while commending the pre-war toy makers, declared that some of the newer firms in this country were not organized to produce either efficiently or economically. And Dr. J. H. Clapham's Committee found out that for some reason, possibly climatic, British beaters of gold leaf cannot produce results which compare in thinness with the German leaf. Now that Part II. of the Act has been put into operation and the Government politically committed to its continuance, we have no security against the subsidy of unfit industries by tariffs, but it is something to the good to find that Committees, however hampered they may be by rules of procedure, have had the resolution to enforce some kind of standard of efficiency and economy in manufacture.

FIGURES AND PRICES

PAPER MONEY (in millions)

		Latest Note Issue.	Stock of Gold.	Ratio Gold to Notes.	Previous Note Issue.	Note Issue May 31, 1921.
European Countries				%		
Austria	Kr.	407,662	?	—	366,130	45,583
Belgium	Fr.	6,195	267	4	6,228	6,161
Britain (B. of E.)	£	102	157	39	107	108
Britain (State)	£	299			325	333
Bulgaria	Leva	3,602	61†	1†	3,588	3,135
Czecho-Slov.	Kr.	9,592	1,123†	11†	10,289	10,851
Denmark	Kr.	443	228	56	438	497
Esthonia	Mk.	700	291†	66†	700	—
Finland	Mk.	1,400	43	3	1,370	1,405
France	Fr.	36,028	5,527	15	36,318	38,392
Germany	Mk.	154,915	1,003	—	151,949	71,839
Greece	Dr.	1,197	1,384†	116†	2,255	1,735
Holland	Fl.	991	606	61	1,004	1,030
Hungary	Kr.	32,039	?	—	31,930	13,686
Italy (Bk.)	Lire	13,489	1,421†	10†	13,608	13,686
Jugo-Slavia	Dnrs.	4,752	64	1	4,773	3,714
Norway	Kr.	373	147	39	375	425
Poland	Mk.	276,001	30	—	267,096	94,756
Portugal	Esc.	756	9	1	749	648
Roumania	Lei	14,036	4,705	33	13,981	11,078
Spain	Pes.	4,187	2,523	60	4,172	4,202
Sweden	Kr.	543	274	54	570	651
Switzerland	Fr.	763	542	71	782	945
Other Countries						
Australia	£	56	23	41	58	58
Canada (Bk.)	$	163	165	36	194	193
Canada (State)	$	269			269	257
Egypt	£E	31	3	9	34	33
India	Rs.	1,724	24	13	1,710	1,678
Japan	Yen.	1,181	—	—	1,055	1,160
New Zealand	£	8	8†	100†	8	8
U.S. Fed. Res.	$	2,123	3,008	141	2,141	2,930

†Total cash.

GOVERNMENT DEBT (in thousands).

	June 17, '22.	June 10, '22	June 18, '21.
	£	£	£
Total deadweight	7,656,021	7,663,308	7,633,954
Owed abroad	1,082,505	1,082,833	1,122,758
Treasury Bills	811,310	802,535	1,205,527
Bank of England Advances	—	5,500	28,750
Departmental Do.	162,146	173,146	129,545

NOTE.—The highest point of the deadweight debt was reached at Dec. 31, 1919, when it touched £7,998 millions. On March 31, 1921, it was £7,574 millions, and on March 31, 1922, £7,654 millions. The increase of £80 millions shown by the latter figures is nominal and due to a conversion scheme. During the year £88 millions was actually devoted to redemption of Debt.

GOVERNMENT ACCOUNTS (in thousands).

	June 17, '22.	June 10, '22	June 18, '21.
	£	£	£
Total Revenue from Ap. 1	162,684	147,544	185,994
,, Expenditure ,, ,,	169,563	161,710	245,590
Surplus or Deficit	—6,879	—14,166	—59,596
Customs and Excise	56,443	48,614	65,659
Income and Super Tax	51,463	49,116	58,653
Stamps	2,882	2,552	2,256
Excess Profits Duties	954	954	16,904
Post Office	10,750	9,750	8,750
Miscellaneous—Special	11,651	10,748	13,394

BANK OF ENGLAND RETURNS (in thousands)

	June 22, '22.	June 15, '22	June 22, '21.
	£	£	£
Public Deposits	16,802	17,734	16,937
Other ,,	113,156	110,140	121,922
Total	129,958	127,874	138,859
Government Securities	45,029	46,699	58,495
Other ,,	76,801	73,605	78,905
Total	121,830	120,304	137,400
Circulation	121,373	121,957	127,478
Do. less notes in currency reserve	101,723	102,407	108,028
Coin and Bullion	128,883	128,884	128,357
Reserve	25,960	25,376	19,329
Proportion	19.9%	19.8%	13⅞ %

CURRENCY NOTES (in thousands)

	June 22, '22.	June 15, '22	June 22, '21.
	£	£	£
Total outstanding	295,611	299,222	324,949
Called in but not cancld.	1,606	1,612	2,039
Gold backing	28,500	28,500	28,500
B. of E. note, backing	19,650	19,550	19,450
Total fiduciary issue	245,855	249,560	274,960

BANKERS CLEARING RETURNS (in thousands)

	June 22, '22.	June 15, '22.	June 22, '21.
	£	£	£
Town	638,485	558,427	495,130
Metropolitan	30,635	30,194	29,575
Country	58,183	50,394	50,321
Total	727,303	639,015	575,026
Year to date	18,937,469	18,210,166	17,079,828

LONDON CLEARING BANK FIGURES (in thousands)

	May, '22.	April, '22.	May, '21.
	£	£	£
Coin, notes, balances with Bank of England, etc.	210,930	212,144	207,118
Deposits	1,790,026	1,782,118	1,770,808
Acceptances	57,369	57,069	63,511
Discounts	328,527	323,260	307,686
Investments	409,974	396,079	320,247
Advances	753,662	763,415	857,207

MONEY RATES

	June 22, '22.	June 15, 22.	June 22, '21.
	%	%	%
Bank Rate	3½	3½	£
Do. Federal Reserve N.Y.	4	4½	6½
3 Months' Bank Bills	2⅜-7/16	2⅜	5¼-⅜
6 Months' Bank Bills	2⅜-7/16	2⅜	5¼-⅜
Weekly Loans	2	2	5

FOREIGN EXCHANGES (telegraphic transfers)

	June 22, '22.	June 15, '21	June 22, '21.
New York, $ to £	4.42¾	4.47⅝	3.73⅝
Do., 1 month forward	4.42¾	4.47 11/16	—
Montreal, $ to £	4.47	4.51½	4.35½
Mexico, d. to $	26½d.	26½d.	30¼d.
B. Aires, d. to $	44d.	44d.	44⅛d.
Rio de Jan., d. to milrs.	7 7/16d.	7⅜d.	7 3/16d.
Valparaiso, $ to £	34.50	36.20	—
Montevideo, d. to $	43⅝d.	43¾d.	41½d.
Lima, per Peru £	6½% prem.	5% prem.	—
Paris, frcs. to £	51.50	50.60	46.72½
Do., 1 month forward	51.50	50.60	—
Berlin, marks to £	1,450	1,385	269
Brussels, frcs. to £	54.35	54.15	46.87½
Amsterdam, fl. to £	11.47	11.50	11.33
Switzerland, frcs. to £	23.33	23.50	22.19
Stockholm, kr. to £	17.25	17.28	16.74½
Christiania, kr. to £	26.35	26.00	26.16
Copenhagen, kr. to £	20.67	20.48	22.07½
Helsingfors, mks. to £	203	209	224½
Italy, lire to £	91¼	88½	78⅜
Madrid, pesetas to £	28.41	28.36	28.42½
Greece, drachma to £	119	113½	61½
Lisbon, d to escudo	4d.	4 1/16	8¼d.
Vienna, kr. to £	64,000	70,000	2,050
Prague, kr. to £	231	233	272½
Budapest, kr. to £	4,300	4,700	—
Bucharest, lei to £	680	655	238½
Belgrade, dinars to £	335	315	130½
Sofia, leva to £	660	615	340
Warsaw, marks to £	19,500	19,000	5,900
Constntnple, piastres to £	705	695	520
Alexandria, piastres to £	97½	97½	97½
Bombay, d. to rupee / Calcutta, d. to rupee	15 9/16d.	15½d.	15½d.
Hongkong, d. to dollar	31d.	31¾d.	31⅜d.
Shanghai, d. to tael	42½d.	43d.	41 13/16d.
Singapore, d. to $	27 29/32d.	27⅞d.	27⅝d.
Yokohama, d. to yen	26d.	25 15/16d.	30¾d.

TRADE UNION PERCENTAGES OF UNEMPLOYED

	End May. 1922.	End Apr. 1922.	End July 1921.
Membership.			
Reporting Unions	1,393,452	1,387,333	1,384,935
Unemployed	227,838	236,308	231,562
Percentage	16.4	17	16.7

COAL OUTPUT

Week ending	June 10, 1922.	June 3, 1922.	May 27, 1922.	June 10* 1921.
	tons.	tons.	tons.	tons.
	2,681,800	4,440,900	4,629,600	—
	106,509,600	103,827,800	99,386,900	48,105,280

*Dispute.

IRON AND STEEL OUTPUT

	1922. May.	1922. Apr.	1922. Mar.	1921. May*
	tons.	tons.	tons.	tons.
Pig Iron	407,900	394,300	389,000	13,600
Yr. to date	1,779,300	1,371,400	977,100	1,565,000
Steel	462,300	404,200	549,400	5,700
Yr. to date	2,158,400	1,696,100	1,291,900	1,411,300

* Coal Mining Dispute.

PRICES OF COMMODITIES

METALS, MINERALS, ETC.

	June 22, '22.	June 15, '22.	June 22, '21.
Gold, per fine oz.	93s. 3d.	92/4 nom.	109s. 7d.
Silver, per oz.	35¾d.	36d.	35⅝d.
Iron, Sc'h pig No. 1 ton	£4.18.6	£4.18.6	£6.6.0
Steel rails, heavy ,,	£9.5.0	£9.5.0	£15.0.0
Copper, Standard ,,	£61.16.3	£61.18.9	£70.6.3
Tin, Straits ,,	£152.6.3	£151.7.6	£164.2.6
Lead, soft foreign ,,	£24.3.9	£24.7.6	£21.17.6
Spelter ,,	£27.11.3	£27 15s.	£26.10.0
Coal, best Admiralty ,,	26s. 0d.	26s. 9d.	*57s. 0d.

*Coal Dispute.

CHEMICALS AND OILS

Nitrate of Soda, per ton	£16.0.0	£16.0.0	£21.10.0
Indigo, Bengal per lb.	9s. 6d.	9s. 6d.	10s. 0d.
Linseed Oil, spot per ton	£42.0.0	£41 10s	£34.10.0
Linseed, La Plata ton	£19.0.0	£17 15s.	£18.10.0
Palm Oil, Benin spot ton	£32.0.0	£30.15.0	£31.10.0
Petroleum, w. white gal.	1s. 5d.	1s. 5d.	1s. 10½d.
Turpentine cwt.	99s. 0d.	77s.	82s. 0d.

FOOD

Flour, Country, straights ex mill 280 lb.	39s. 6d.	40s. 6d.	62s. 6d.
Wheat, English Gaz. Avge. per 480 lbs.	53s. 6d.	55s. 3d.	89s. 4d.
Wheat, No. 2 Red Winter N.Y. per bush	129½ cents.	129½ cents.	156 cents.

TEXTILES, ETC.

Cotton, fully middling, American per lb.	13.81d.	12.77d.	7.66d.
Cotton, Egyptian, F.G.F. Sakel per lb.	20.00d.	19.75d.	15.50d.
Hemp, N.Z. spot, per ton	£30.0.0	£30.0.0	£41.10.0
Jute, first marks ,,	£36.10.0	£35.0.0	£29.10.0
Wool, Aust., Medium Greasy Merino lb.	16½d.	16½d.	14d.
La Plata, Av. Merino lb.	13½d.	13½d.	9½d.
Lincoln Wethers lb.	7¾d.	7¾d.	7d.
Tops, 64's lb.	56d.	58d.	44d.
Rubber, Std. Crepe, lb.	7½d.	7⅝d.	8d.
Leather, sole bends, 14-16lb per lb.	2s. 4d.	2s. 4d.	2s. 6d.

OVERSEAS TRADE (in thousands)

	May, 1922. £	May, 1921. £	five months 1922. £	five months 1921. £
Imports	88,814	86,275	403,042	483,720
Exports	58,045	43,088	299,616	330,743
Re-exports	8,965	7,232	46,951	42,603
Balance of Imports	21,804	35,955	56,475	110,374
Expt. cotton gds. total	15,734	9,863	76,366	84,811
Do. piece gds. sq. yds.	341,425	145,604	1,538,953	1,058,382
Expt. woollen goods	5,069	3,839	23,536	28,871
Export coal value...	5,790	33	25,456	15,421
Do. quantity tons...	5,057	14	22,390	6,018
Export iron, steel...	4,825	4,050	26,086	35,379
Export machinery...	3,053	6,293	23,651	35,835
Tonnage entered ...	4,101	3,080	16,136	14,032
,, cleared ...	5,104	1,653	21,907	11,718

INDEX NUMBERS

United Kingdom— Wholesale (*Economist*).	May, 1922.	Apr., 1922.	Mar., 1922.	May, 1921.	July, 1914.
Cereals and Meat ...	1,040½	1,008½	980	1,195	579
Other Food Products	657	667	687	691	352
Textiles	1,079	1010	1,038	996	616½
Minerals	710½	709½	700	963	464½
Miscellaneous	885	890	892	1,065	553
Total	4,372	4,285	4,297	4,910	2,565

Retail (*Ministry of Labour*)—	May, 1922.	Apr., 1922.	Mar., 1922.	May, 1921.	July. 1914.
Food, Rent, Clothing, etc.	180	181	182	219	100

Germany—Wholesale (*Frankfurter Zeitung*)	May 1, 1922.	Apr. 1, 1922.	Mar. 1, 1922.	Mar. 1, 1921.	average 1913.
All Commodities	585	543	435	131	9.28

United States—Wholesale (*Bradstreet's*)	May 1, 1922. $	Apr. 1, 1922. $	May 1, 1921. $	Aug. 1, 1914. $
All Commodities	11.744	11.5317	10.8208	8.7087

FREIGHTS

From Cardiff to		June 22, 1922.	June 15, 1922.	June 22* 1921.
West Italy	(coal)	10/3	10/3	18/0
Marseilles	,,	10/3	10/6	16/0
Port Said	,,	13/0	13/0	17/6
Bombay	,,	22/6	22/0	23/0
Islands	,,	10/0	10/0	12/0
B. Aires	,,	14/0	14/0	20/0
From				
Australia	(wheat)	40/0	40/0	60/0
B. Aires	(grain)	22/6	22/6	45/0
San Lorenzo	,,	25/0	25/0	47/6
N. America	,,	2/9	2/9	5/6
Bombay	(general)	17/6	17/6	27/6
Alexandria	(cotton-seed)	10/0	10/0	nom.

*Nominal owing to mining dispute.

TRADE OF COUNTRIES (in millions)

COUNTRY.		Months.	1922. Imports.	1922. Exports.	+ or — Exports.
Belgium	Fr.	3	2,031	1,334	— 697
Bulgaria	Leva	9†	1,900	1,000	— 900
Denmark	Kr.	3	275	256	— 19
Finland	Mk.	4	810	718	— 92
France	Fr.	3	5,267	5,369	+ 102
Germany	Mk.	4	75,814	73,109	— 2,705
Greece	Dr.	1	159	83	— 76
Holland	Fl.	4	651	412	— 249
Spain	Pes.	12†	1,260	798	— 462
Sweden	Kr.	4	337	230	— 107
Switzerland	Fr.	12†	2,296	2,140	— 156
B. S. Africa	£	12†	53	61	+ 8
Brazil	Mrs.	12†	1,690	1,710	+ 20
Canada	$	12‡	748	740	— 8
Egypt	£E	12†	56	42	— 14
F.M.S.	£	12†	12	15	+ 3
India	Rs	2	74.46*	68.22*	— 6.24*
Japan	Yen.	5	931	551	— 380
New Zealand	£	12†	43	45	+ 2
United States	$	3	692	862	+ 170

*Lakhs. 1921† ‡To Mar, '22.

SECURITY PRICES

BRIT. AND FOREIGN GOVT.

		June 22, '22.	June 15, '22.	June 22, '21.
Consols		56⅝	54½	46¾
War Loan	3½% ...	94½	93⅛	87½
Do.	4½%	94½	94½	81¼
Do.	5% ...	99 11/16	99⅝	88
Do.	4% ...	101	100⅝	96
Funding	4% ...	85⅝	84¼	71¾
Victory	4% ...	89	87¼	77⅝
Local Loans	3% ...	63¾	63½	53½
Conversion	3½% ...	75	74¼	62¼
Bank of England		242	243	182½
India	3½% ...	65¾	65	56¼
Argentine (86)	5% ...	99½	100	93
Belgian	3% ...	70	70	58½
Brazil (1914)	5% ...	72	71½	55
Chilian (1886)	4½% ...	84	84½	74
Chinese	5% '96	92¾	92	84½
French	4% ...	33½	34	33
German	3% ...	2⅝	2½	6¼
Italian	3½% ...	22	24	27½
Japanese	4½% (1st)	104¼	103	115
Russian	5% ...	12	13	14½

RAILWAYS

Great Central Pref.	20½	20¾	10
Great Eastern	40	40¼	
Great Northern Pref.	66	66	44
Great Western	103	103½	64½
Lond. Brighton Def.	61½	61½	40
Lond. Chatham	9¾	9½	5¾
L. & N.W.	101½	102½	69½
L. & S.W. Def.	29½	30	18½
Metropolitan	46	44¾	
Do. District ...	35½	36	
Midland Def.	66½	67¼	42
North Brit. Def.	18⅝	18¼	11¾
North Eastern	117¾	117¾	71
South Eastern Def.	36¾	36¾	21
Underground "A"	6/6	6/3	7/6
Antofagasta	64½	61	51
B.A. Gt. Southern	71½	70½	53
Do. Pacific	46½	45½	36
Canadian Pacific	154½	153	139
Central Argentine	63½	62½	48½
Grand Trunk	1¼	1¼	4¼
Do. 3rd. Pref....	4½	4½	12¼
Leopoldina	28	27½	20
San Paulo	127½	128¼	119
United of Havana	60	60½	61

INDUSTRIALS, ETC.

Anglo-Persian 2nd Pref....	25/4½	25/6	22/0
Armstrongs	17/9	17/1½	16/9
Brit.-Amer. Tobacco	76/3	76/10½	65/0x
Burmah Oil	5¼	5⅝	6 9/16
Coats	62/0	62/0	46/9
Courtaulds	49/4½	49/6	34/3
Cunard	20/0	20/4½	17/6
Dorman Long	17/10½	18/0	16/9
Dunlop	8/9	8/10½	10/0
Fine Spinners	39/0	38/9	33/9
Hudsons Bay	7	6 15/16	6¼
Imp. Tobacco	61/3	61/0	47/6
Linggi	24/6	24/6	24/9
Listers	26/0	25/6	16/9
Marconi	2 7/16	2 17/32	2 3/16
Mexican Eagle	3⅜	3¼	6
P. & O. Def.	315	330	335
Royal Mail	87½	88	87½
Shell	4 11/16	4 25/32	5½
Vickers	12/0	11/10½	13/3

Stock Market Letter

The Stock Exchange, Thursday

June, month of roses, Alexandra and otherwise, brings in her bounteous lap but bare business to Stock Exchange markets. There has been no strong influx of investment-money, such as April's reduction in the Bank rate dislodged from deposit accounts at that time. Although the Rate has timidly descended to 3½ per cent., the Consol market finds itself at, to speak colloquially, a loose end. The only speculation left in this department is a mild flirtation with Victory Bonds. To buy something to-day at 89, which may be drawn at 100 on Monday, is to embark upon a gamble, officially encouraged, which holds attraction for the man moderately-to-do. It gives a tang, a zest of gambling to which even the most austere investor may be susceptible when choosing his stocks at this time of the year. With another half-yearly payment of income tax becoming due next Saturday, the critic, however severe, may regard with indulgence the furtive hope that a lucky drawing of Victory Bonds will give the bondholder a clear profit of ten or eleven points (upon which no tax is payable), wherewith to discharge the buff visitor. Or, at any rate, to soften by ten per cent. the asperity of the Inland Revenue's claim. These are no longer days in which

The sweet simplicity of Consols
Consoles . . .

Men—and, still more, women—love to mix a spice of chance even with their most solid stocks. To the daring, and to those who can afford to take a margin of risk, a purchase of India 5½ per cents. at 95 may be suggested to replace, at least in part, other Trustee stocks that seem to stand too high. These latter are already waning from their recent best. The rush to buy is over. There is no more money left, lament some men. A grandiose scheme for amalgamation of certain Continental interests, which would have involved a new issue reaching five million pounds sterling, is known to have been definitely postponed. Business is so quiet that the Stock Exchange faithful can settle down, without fear of disturbance, to their dictionaries and their reference-books as they wrestle on Friday afternoon with the acrostics in to-morrow's SATURDAY REVIEW. These men are amongst the few who admit detachment in the matter of closing the House half an hour earlier.

It is a little curious to notice how slender is the attention paid in the Stock Exchange to many matters which, in the outsider's mind, rank as affairs of high consequence. You meet a man at lunch and he asks, with obviously keen interest, what is the Stock Exchange view of the Irish Elections. Country clients write requests for a short epitome of "what is said On 'Change" about the prospects at the Hague Conference. We make some answer, of course—I hope intelligently, though much depends upon the newspaper which one has last read—but as a matter of cold fact, it is likely as not that the particular matter has received no such attention as would make it the subject of general discussion. But get a few rumours from Washington or New York—both sources being equally reliable—concerning American recognition of Mexico, and the effect is very different. The oil market at once starts talking about it; Mexican Eagles move. The Foreign Market, after a lively show of animation in Mexican bonds, discusses what kind of Funding stock may be allotted to holders of the long overdue coupons. Mexican mining shares shoot into prominence and jobbers in the Mexican Railway market start sharpening pencils in expectation of a first deal after many days. Thus and thus is it with the Stock Exchange of to-day. The war taught that stupendous events could happen without moving prices an eighth either way, and the experience leaves its influence to-day upon markets freed from any restriction save that which public apathy imposes upon their business.

Of course it is the lack of trade which plays the dickens with Home Railway prices. So long as things are going up, there is some impish Fate blindfolding our eyes to the fact that no market can remain continuously strong for ever. I don't know how it is, but there must be a malevolent force which compels people, in the bulk, to decline to take good profits. Candid introspection might lead to the humdrum conclusion that it is merely greed, nothing more nor less heroic than greed, which causes a man to refuse to sell in a good market; he is too little willing to let the other fellow, the ready buyer, have a chance of making that extra profit which he wants for himself. We say it is impossible to get the top brick off the chimney, but we always try for it, nevertheless, and when the structure begins to look rickety, everyone rushes in to sell. Down come the bricks; at a rate invariably more rapid than that at which they rose. The market turns dull; then heavy, finally flat. So it has been this week with Home Railway stocks; so with Courtaulds and some of the oil shares. There is nothing either novel or surprising about the sequence of events, and reaction from the lowest levels is also quite natural. What is new, however, if not altogether remarkable, the Kaffir Market provides in the shape of a brighter appearance in its lists. The buying is not local: it comes, indubitably enough, from the Cape. And in Stock Exchange matters the Cape is no fool. JANUS

Overseas News

Russia. The *Rigasche Rundschau*, an important commercial organ published in the Latvian capital, generally well informed on Russian affairs, gives interesting information on the salutary effect which the spectre of famine has had on the Soviet organization of agriculture. Even the proverbial torpor of the moujik has been unable to resist the instinct of self-preservation. Consequently the cultivated area is increasing as far as the lack of seeds permits; luckily, the American relief organization is doing its utmost to overcome this serious drawback. The Soviet Government is making great efforts to improve the food supply, and extensive propaganda is being made in favour of the growing of maize instead of wheat and rye, as the former cereal is better able to stand the lack of moisture predicted by the weather experts. A problem which is causing anxiety is the shortage of agricultural implements and machinery. The peasants are too poor to buy these indispensable articles, so that it has become necessary to stimulate the spirit of collectivity—fortunately one of the few notions familiar to them. Agricultural co-operative societies consequently have sprung up in numbers, and in smaller villages associations of another kind have been formed to enable the members to buy seeds and implements. There can be no doubt also as to the great hopes which are being built upon the German co-operation promised in the Treaty of Rapallo, particularly as to the supply of the necessary machinery, etc., and also as regards the reconstruction of the Russian system of transportation. If in this respect progress may perhaps be slow at first, it cannot be gainsaid that by means of this agreement the German industry is securing a predominant position in this vast country, and it is certainly a great pity that the British manufacturer should have lost the rare opportunity of capturing an immense field of activity, where his superior financial equipment would have been of the greatest assistance. Whatever may be the attitude of the United States Government, all American industrialists certainly are not hypnotized by the prophecies of the daily expected downfall of Soviet Russia. At any rate, some of them appear to attach not much importance to the regime, and to be inclined rather to have confidence in the future of the country itself. This is proved by far-reaching schemes which are at present under consideration. An American group, the U.S.A. and Baltic Commerce, has

submitted recently to the Latvian Government certain proposals which, if put in action, will establish a through route from New York to Moscow. The Americans propose to lease and improve the Latvian railway line from Libau to the Russian frontier, to enlarge the ice-free port of Libau, and to establish regular sailings from New York to the latter. Should this plan materialize they intend to apply, to complete their scheme, for the concession of a railway line in Russia. No particulars are available as to the interests behind the group in question, but the American project is certainly taken seriously in Riga, whose port will probably lose by its execution.

Austria. During the first fortnight of June a violent upward movement characterized the Vienna markets, starting with the quotations of the foreign exchanges, taking possession of the stock markets, and ending in a wild rush on the shops, where the excited crowds emptied their pockets, filled with shadowy notes, to acquire more substantial goods. The rise in the foreign currencies, stimulated by all kinds of rumours, political or financial, culminated on the 14th, the £ touching the price of 105,000 kronen. During the wildest moments of the "catastrophic boom" provision merchants even refused to accept the legal tender of the country and stood out for Czecho-Slovak crowns. This and other similar occurrences forced the newly constituted Cabinet to take action. The leading bankers were called in, and after deliberations extending over a number of days the public was told that, without waiting longer for the result of the negotiations with the Morgan group, the Government, in agreement with the bankers, has decided to establish a bank of issue, which is to take over the Austrian assets of the Austro-Hungarian Bank, in liquidation, and naturally the corresponding liabilities, viz., the notes circulating in the territory of the Austrian Republic. This circulation is covered, so far, by the share in the gold reserve falling to Austria, estimated at 35 to 40 million gold crowns, and by the real estate owned by the bank, which, according to the agreement made with the other countries which have taken over portions of the note circulation, can be acquired by the State. This gold and real estate is to be transferred to the new bank, together with 48 million (paper) francs, balance of a loan of 55 millions, which France agrees to grant to Austria. The National Bank of Austria is to have a share capital of 100 million gold francs, supplied by the banks and their clientele. Further, the financial group is ready to put at its disposal balances held abroad of a total value of 150 to 200 million gold francs. If necesary, the group will realize foreign investments, mainly in Czecho-Slovakian crowns, for that purpose. The Government, on the other hand, is willing to give even security in the shape of a mortgage on the State domains for the advances made by the Austro-Hungarian Bank to its predecessors, as this debt naturally will have to be taken over by the new institution. Whether the proposed mortgage can be reconciled with the terms of the Treaty of St. Germain is a question which the Allies will have to decide, as their consent probably will be required. This means delay, as recent developments show, and may postpone the opening of the new bank. The announcement of the project, coupled with the assurance that no legal devaluation of the krone is proposed, created a more confident feeling in Vienna, and caused, therefore, a severe reaction in the quotations of the foreign exchanges. The £ fell to 65,000 crowns, which compares with a price of about 50,000 ruling before the rise had started. The latest news from Vienna shows that the Government is well aware of the uselessness of any currency reform if it is not followed up by a thorough reform of the finances, and the Minister of Finance is preparing—as many of his predecessors have done—a programme. Whether it will become possible to balance the Budget within a short time, however, is doubtful, and meanwhile the State will need further assistance from abroad—and higher taxation. The latter constitutes a difficult problem, as in a country of 6,000,000 inhabitants the number of taxpayers able to pay large amounts is probably not very great.

Japan. Bank credits were increased at the beginning of the month by a big redemption, also the payment of the interest of Government loans, and banks were able to give to the silk manufacturers credit for purchasing new cocoons almost to the same extent as last year. Although the height of the demand has already been passed, the general tone of the money market has still been cautious. In the raw silk market, which had been a little depressed by the liquidation of the Imperial Silk Company, there at one time appeared some buyers, but merchants are now watching the movements of the market. The Stock Exchange market continues to be still unsettled, even after the formation of a new Cabinet.

Review

Credits and Exchange. An Address by Samuel Samuel, M.P., to the International Parliamentary Commercial Conference at Paris. Printed by Edward Hughes. Bow Lane, E.C.

IN this lucid and plainspoken address Mr. Samuel, who had been asked to open a discussion on the above subject, gave to the International Conference what he claimed to be "the facts as they appear to a business man with a very long experience." He began by saying that credit and exchange are the principal factors for carrying on the commerce of the world, and that the building up of international commerce to the perfection that existed before the war was the work of generations of men of the highest integrity, courage, determination and vast experience, without any assistance from governments, but also without the blighting influence of bureaucratic interference.

> In the latter half of the last century, foreign governments began to move in an endeavour to create and to develop foreign trade for their nationals, by giving them every assistance when they asked. This at once introduced politics into commerce, and resulted in or was one of the main causes of the disastrous war of 1914, which has had the effect of setting the commercial world back, for the time being, and has destroyed the whole edifice of commerce by bringing about the collapse of exchange and the suspension of credit.

He proceeded to lay, perhaps, rather too much stress on the argument that the wealth of a nation consists entirely of the individual wealth of the members of its population; that "there is no such thing as a rich nation; a nation has nothing." This, surely, is by no means always true. As a nation Great Britain owns little or nothing but a fleet, some public buildings and fortifications, some Suez Canal shares, oil shares, and other investments. But most countries own their railways (though they have generally been built with borrowed money) and other profit-earning assets, and it was the boast of Prussia before the war that the revenue from her railways and State forests more than met the interest on her debt. Though Mr. Samuel thus overstates his case on this point, he will carry general agreement in his contention that the best thing that governments can do is to leave trade alone, and not to interfere with artificial schemes for its stimulation. He maintains that the old-established credit banks and accepting houses do all the legitimate business that is offered, and do it satisfactorily.

> Those people who advocate government intervention are purely theorists with no practical business knowledge of how the trade of the world has been and is being conducted, or they are people who have no credit and wish to benefit by the ignorance of a government department which they rely upon bamboozling and getting credit for themselves to which they are not entitled. . . . No government is in a position to discriminate as to the solvency or the reliability of certain traders in any part of the world. A government will always be at the mercy of adventurers. They are more or less actuated by political considerations and recommendations of bureaucrats, so that credits will be based on these and not

on honesty and commercial morality. The so-called "assistance" is nothing but unwarrantable interference of political friends, who mostly want to feather their own nests, and generally succeed, at the cost of the taxpayers. I could illustrate my statement by many instances, but I wish to avoid anything that might lead to unpleasant incidents. I can only urge the parliamentary representatives to oppose interference by their respective governments in international commerce, except to make such laws as will give the fullest protection to foreign traders and to see they are honestly administered, so that even-handed justice is meted out to everybody. With this security when opportunity occurs, there will be no lack of credit through the channels that have been working in the past.

In Mr. Samuel's view the position to-day can be summed up in a sentence—the impoverishment of the whole world. The credit system is able and willing to finance all legitimate business.

The big deposit banks have larger available supplies of money, and I venture to state, as a banker, that at no time have they given greater facilities to their customers for the legitimate purposes of industrial development than they give at the present time. The foreign banks and accepting houses are in the same position. They are anxious to finance all legitimate business. It is very easy to finance transactions through the usual channels. If we take Italy, where we should have assembled for this discussion, I am confident if the seed crusher in Milan, for instance, wants to buy seeds for his mills, and goes to any of the big financial houses, the Banca Commerciale Italiana, the Credito Italiana, the Banca di Roma, or other bankers, he can arrange for them to open a credit for any legitimate transaction.

If a manufacturer wants to ship goods to South America or to China or Japan, the buyers in those countries can open credit for the merchants in Genoa, Milan, Paris, London, or anywhere, to draw against shipments of manufactured goods, and there is no difficulty in negotiating the drafts against such shipments. Where the difficulty arises is that buyers in different parts are not selling their stocks. They realise that if they buy more they will have to pay, but cost prices are now so high that the consumer, who is not earning the money he did, cannot afford to buy as he was able to formerly in pre-war days. The consumption demand has diminished materially and many traders know from bitter experience that any one damned fool can buy more in a week than a hundred of the most expert and finest salesmen can sell in a year of any and every article. Under these circumstances the regular buyers are timid, and, although they have the credit facilities, they are disinclined to make use of them, for adequate reasons, namely: prices are too high, present stocks at these prices are adequate, and consumption demand is very slow.

After dwelling on the disastrous effects of Government interference during the war, Mr. Samuel says in concusion that

while the extension of credits by Governments may temporarily relieve this or that particular situation, and especially in those countries which have suffered most by the war, the indebtedness between nation and nation that will arise from these credits can only finally be settled by supplying goods and services, and, although at first sight the policy may seem to savour of contradiction, this must surely mean that, in the case of all countries whose internal and external indebtedness have been increased by the war, a national economy in consumption, and increased and cheaper production, are the first and principal essentials for a revival of international commerce.

Publications Received

Lloyds Bank Monthly. June.

The Bulletin of Federation of British Industries. June 20. 1s. This issue contains the Monthly Taxation Supplement.

The Financial Questions at the Genoa Conference. Swiss Bank Corporation. (From the Corporation's Monthly Bulletin issued in Basle.)

Company Report

Guest, Keen & Nettlefolds. The financial year has been altered from June 30 to March 31 and the accounts now issued are for nine months. The profit for three-quarters of a year is £567,000, comparing with £810,000 for a full year to June 30, 1921, and adding the £264,000 brought forward the balance available amounted to £831,000. After payment of the Preference dividends and 7½ per cent. tax free upon the Ordinary (5 per cent. Interim and 2½ per cent. Final) a sum of £206,000 is carried forward. The Ordinary dividend is at the same rate as for 1920-21, but its payment has necessitated a reduction of £58,000 in the carry forward. No profit and loss account is given. The total issued capital has increased £263,000 to £11,445,000, the reserve fund remains unaltered at £2,628,000, and sundry creditors "including provision for liabilities under the Munitions of War, Finance and Coal Mines Acts" are £449,000 higher at £1,844,000. Upon the creditor side of the balance sheet the land, buildings, machinery, etc., item is £75,000 more at £3,082,000, and sundry debtors have increased by £302,000 to £712,000. Stock is £151,000 lower and cash has decreased from £974,000 to £679,000. Investments have risen £525,000 to £13,267,000, the Company having acquired during the period a majority of shares of The Gwaun-Caer Gurwen Colliery Co., Ltd., one of the largest anthracite colliery companies in South Wales. No reference is made to the present value of investments.

Dividends

ANGLO-DUTCH PLANTATIONS.—6 p.c. for 1921, against 10 p.c. for 1920.

BOMBAY, BARODA AND CENTRAL INDIA RAILWAY.—Final 1½ p.c. in addition to guaranteed interest of 1½ p.c., making 6 p.c. for year ended 31st March.

CITY DEEP.—Interim 7½ p.c., against 20 p.c. a year ago.

CROWN MINES.—Interim 5 p.c., against 10 p.c. a year ago.

DEAMOOLIE TEA.—Final at rate of 20 p.c., making 25 p.c. for 1921, against 15 p.c. for 1920.

DE BEERS CONSOLIDATED MINES.—Directors state that although demand for diamonds has improved, they are not yet able to declare dividends on either Pref. or Def. shares.

DEBENTURE CORPORATION.—Interim 2½ p.c. on Ord., against 2 p.c. a year ago.

DOOARS TEA.—20 p.c. on Ord. for 1921 and bonus of 7½ p.c. on a/c of excess profits duty recovered in respect of 1920.

EAGLE STAR AND BRITISH DOMINIONS INSURANCE.—Interim 7½ p.c., tax free, on Ord., as a year ago.

EMPIRE OF INDIA TEA.—16 p.c. on Ord. for 1921 and bonus of 10 p.c. for 1920 in respect of excess profits duty recovered.

ESTATES CONTROL.—40 p.c. on Ord. for year ended 30th Nov., 1921.

GEORGES NEWNES.—Final 10 p.c. on Ord., making 15 p.c. for year ended 31st March.

GOVERNMENT GOLD MINING AREAS.—Interim 20 p.c., against 25 p.c. a year ago.

GREAT INDIAN PENINSULA RAILWAY.—10s. p.c. in addition to guaranteed £1 10s. p.c. for half year ended 31st March.

HEAD, WRIGHTSON & CO.—Final 5 p.c. Ord., making 7½ p.c. for year ended 30th April, as for the previous year.

HOWARD AND BULLOUGH.—Fourth quarterly dividend of 2½ p.c. on Ord., making 10 p.c. for year ended 31st May, and bonus of 1s. 6d. per share. 10 p.c. was paid for 1920-21.

HUDSON'S BAY CO.—Final 19 p.c., making 35 p.c. from profits of trade, together with bonus of 15 p.c. A distribution of 10 p.c., tax free, is also proposed in respect of the land department, making total Ord. dividend 43 p.c. for year ended 31st May, against 40 p.c.

IMPERIAL OTTOMAN BANK.—5 p.c. for 1921. The previous dividend was 7 p.c. for 1913.

J. C. & F. FIELD.—12½ p.c. on Ord. for year ended 31st March, against 10 p.c. for 1920-21.

JOHANNESBURG CONSOLIDATED INVESTMENT.—7½ p.c., tax free, for year ending 30th June, against 10 p.c., tax free, for 1920-21.

MODDERFONTEIN B.—Interim 30 p.c., against 40 p.c. a year ago.

NATIONAL CITY BANK.—Regular quarterly dividend of 4 p.c.

NEW MODDERFONTEIN.—Interim 20 p.c., against 42½ p.c. a year ago.

NEW RIVER CO.—15 p.c., tax free, for year ended 25th March, against 14 p.c., tax free, for 1920-21.

NEW TAMARUGAL NITRATE.—Interim 5 p.c., as a year ago.

NOURSE MINES.—Interim 2½ p.c., as a year ago.

PARKE'S DRUG STORES.—Final 2½ p.c. on Ord., making 7½ p.c. for year ended 28th Feb. No dividend was paid for 1920-21.

PIONEER LIFE ASSURANCE.—5 p.c. for year ended 31st March. No dividend was paid for 1920-21.

RAND MINES.—Interim 20 p.c., against 35 p.c. a year ago.

REDPATH, BROWN & CO.—Interim 5 p.c., tax free, on Ord., as a year ago.

ROSE DEEP.—Interim 5 p.c., against 7½ p.c. a year ago.

RUPAI TEA.—Final at rate of 20 p.c., making 25 p.c. for 1921, against 15 p.c. for 1920.

SUDAN PLANTATIONS SYNDICATE.—Interim 15 p.c.

UNION CASTLE MAIL STEAMSHIP.—Final 3½ p.c., tax free, on Ord. stock and shares, making 6 p.c. for 1921. 8 p.c., tax free, was paid for 1920.

VAN RYN DEEP.—Interim 10 p.c., against 30 p.c. a year ago.

VICTORIA FALLS AND TRANSVAAL POWER.—Final 4 p.c. on Pref., making 10 p.c. for 1921, and 3 p.c. on a/c of current year. 5 p.c. on Ord. for 1921.

WAYGOOD-OTIS.—Final 5½ p.c. on Ord., making 8 p.c. for year ended 31st March, and a bonus of 2 p.c. 8 p.c. was paid for 1920-21.

WATERLOW & SONS.—Interim 2½ p.c., tax free, on Deferred Ord., as a year ago.

WITWATERSRAND GOLD.—Interim 5 p.c., against 10 p.c. a year ago.

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